

# University of Texas Bulletin

No. 2155: October 1, 1921

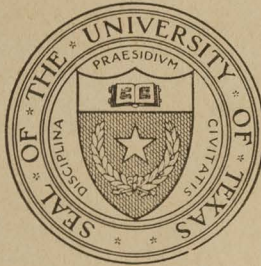
## Putting the Home on a Business Basis

Revised Edition

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PUBLISHED BY THE UNIVERSITY SIX TIMES A MONTH, AND ENTERED AS  
SECOND-CLASS MATTER AT THE POSTOFFICE AT AUSTIN, TEXAS,  
UNDER THE ACT OF AUGUST 24, 1912

The benefits of education and of useful knowledge, generally diffused through a community, are essential to the preservation of a free government.

Sam Houston

Cultivated mind is the guardian genius of democracy. . . . It is the only dictator that freemen acknowledge and the only security that freemen desire.

Mirabeau B. Lamar

## PUTTING THE HOME ON A BUSINESS BASIS

The purpose of this bulletin is to show why and how a budget should be made. The factors to be considered in making a budget suited to the needs of the individual family are discussed. The value of household accounts, the classification of expenditures and a system for the keeping of records is included along with suggestions for putting the home on a business basis.

This bulletin may also serve as an outline of suggestive material for clubs wishing to study the problems of household administration. The subjects are discussed in the following form:

1. *Introduction.* The budget as an indication of the standard of living.
2. *The Budget* as a problem of the individual family.
3. *Steps in Making a Budget.*
4. *Suggested Budgets.*
5. *Considerations to Be Made in Budget Making.* Discussions of individual items in the budget.
6. *Household Accounts.* Value and purpose of household accounts. Classifications of Expenditures. System for keeping records.
7. *Business Methods for the Home.* Suggestions for methods to be used in the business of the household.
8. *Personal Accounts.*
9. *References.* A list of references for the practical housewife.

This bulletin is a revision of No. 2003. The suggested budgets which were given in No. 2003 have been omitted as the standards and needs of the individual families as well as the cost of living in various localities differ so widely that it is impossible to give standard or ideal budgets. Suggestions for working out an individual budget have been given in place of the general budgets.





## PUTTING THE HOME ON A BUSINESS BASIS

*A Budget Is a Plan for the Future.* To budget your income means to make a written plan for spending and saving. A contractor would not attempt to build a home without a blueprint. He may have a very clear idea of the type of house desired and the arrangement of rooms, but it is absolutely essential that he have the plans drawn in full detail before purchasing building material or starting to build. The same benefits are derived from making a written plan for spending and saving your income as are gained from the blueprint for the builder.

The amount of the income will to a large extent determine the kind of house in which you live, the clothes you buy, and in fact the way you provide for the needs and desires of your family. But, in addition, your choice will depend somewhat on the conditions under which that income is earned, the neighborhood in which you live, and the apportionment you make of your income to provide for your needs and desires. These factors will determine the way you live and the values you choose in life. This may be called your *standard of living*.

When you consider your necessities and your desires, and apportion your income to satisfy these in the most desirable and efficient manner, you have made a budget. In so doing you make a conscious choice, and therefore determine the standard of living for your family.

The standard of living depends less upon the amount of the income than upon its intelligent expenditure. The income may be sufficient to provide for normal wholesome living, but extravagant expenditures may be made for food or clothes at the sacrifice of health or educational needs.

"A normal standard of living may be defined as that which permits each individual to live as an efficient, healthy, human being, mentally, morally, and physically."

In normal living provision must be made for each of the following:

1. Housing adequate in space, air, and light and sanitary conveniences to meet the personal and social needs of the family.
2. Operating expenses to maintain the house by providing heat, light, water, service, etc.
3. Food sufficient in kind and quantity to provide adequate nourishment.
4. Clothing not only sufficient for protection but also to meet social requirements of the individuals.
5. Recreation as an essential phase of normal living.
6. Education in order to further self-development.
7. Donations to meet obligations of church, charity, or dependents.
8. Savings to provide for "a sunny opportunity rather than a rainy day."

With the continuous change in the cost of living, it is essential that the home be put on a business basis if the proper standard of living is to be maintained. The first step toward this goal is making a budget.

Each family has its own particular problems and must, therefore, work out a budget to suit its individual needs. Every family can, however, be classified under one of the following divisions:

1. The poverty or pauper level is that which signifies that the income is not sufficient to provide for adequate food, shelter, or clothing. Families of this class are generally charity cases. Charity organizations bring these cases to the mere sustenance level, so that they may exist.
2. The mere sustenance level is that which has an income only sufficient to provide physical requirements for food, shelter, and clothing. The food requirements can be measured very accurately, so that a budget can be determined for food, shelter, and clothing. These are the only items allowed in this level.
3. The normal standard has an income which provides for the physical requirements of life and also is sufficient to satisfy desires for improvement, such as health, recreation, education, religion, and savings. *The suggestions given in this bulletin are for those who wish to consider the normal standard.*

4. The luxury level has an income which provides for normal needs and desires and also allows for increased expenditures for one or all of the needs without reducing any of the normal expenditures. The problems of this group are not so much in their choice of values but rather the relation of their choice to the group in which they live and society as a whole.

## THE BUDGET

In considering the budget for the average family which is attempting to maintain a normal standard of living, the fact is recognized that prices vary in every community and are constantly changing in each community and every family has its individual problems to be considered. It is therefore impossible to give average budgets for general use. Each family must work out its own budget to suit its own problems. The ideal budget for any family can only be determined after careful records have been kept and the actual expenditures determined.

The apportionment of the income will depend on the costs of commodities in the given locality, the number, age and sex of those to be provided for, the education and religion, the physical condition of the family as well as the environment and social standing.

Too many families attempt to live according to the standards of the neighbors or according to social conventions and habits, without making an intelligent choice of those things which would mean the most to them as individuals. Living on a budget system means using intelligence and pleasure to buy those things which give the most happiness. Better satisfaction comes from money spent with conscious regulation of the expenditure according to right ideals and standards. The physical wants must first be met, and the remainder used to provide for intellectual and spiritual wants. Individuals must choose for themselves those things which they most desire in life, but intelligence should make the choice rather than blind imitation of fashion, fad, or neighbors.

Budget planning is of comparatively little value unless used to help understand problems of living costs and in adjusting expenditures to the income. Adjustments will not come from written plans alone, but self-control and guidance in spending must be used to make an intelligent choice of what should be provided for the family.

Since the budget is the written plan which shows the division to be made of the income to meet the expenditures,

it is the means for comparing the relative costs of food, shelter, clothing, etc., so that one may determine whether too much is being spent for food in relation to amount spent for clothes or improvements. The budget also aids in avoiding leaks in the expenditure. It gives the opportunity to intelligently estimate future needs, determine the character and wisdom of expenditures, and therefore the standard of living will be indicated by the budget. Finally, the study will reveal philosophies of life and lead to new estimates and appreciation not only of money but of time and vitality.

## STEPS IN MAKING A BUDGET

I. *In order to determine your present financial status, it will be necessary to make an inventory of your assets and liabilities. Are you in debt, just able to meet expenses, or getting ahead?*

### *Assets*

Investments,—stocks, bonds, mortgages, life insurance (surrender value).

Accounts and notes receivable.

Real and personal property; ownership of building or lots, livestock, automobile, equipment, and furnishings.

Cash on hand and in the bank.

### *Liabilities*

All outstanding debts, mortgages, accounts, and notes payable.

Compare your total assets with your total liabilities. Which of the following do your assets represent?

1. Sound investments which bring fair interest?
2. Savings which have been made because of wise expenditures and careful planning, or at a sacrifice of health and standards of living? One can not afford to reduce the expenditures for food, clothing, and shelter in a way which might lower the health of the family.
3. Does your real and personal property tend to increase or decrease your expenditures? Is your automobile an asset or a liability?

Which of the following do your liabilities represent?

1. Debts incurred to provide for the necessities of life because of a deficit the preceding year? If there was a deficit last year, it may be that by careful planning you can avoid such deficit this year.
2. Payments due on investments such as your home or education? Such payments will increase your assets.

3. An attempt to keep up with your neighbors or social set in order to maintain your social position? Debts of this nature can not be justified, since they are the result of living beyond one's means, and therefore your standards of living are on a false foundation.

In planning your budget for the coming year, will your savings be added directly to your assets, or will they be used to pay previous debts?

II. *Estimate your income for the coming year.* This should include:

1. All money income such as salary, interest from investments, gifts, or other sources of money income.
2. In estimating the actual money income one should also consider the material sources of income. Among these would be included food commodities which are raised at home, or any means of support other than that which is provided by the actual money income.

Another important contribution to the real income is the money value of the labor of the unpaid service of members of the family.

Note. No attempt should be made to calculate this material income when apportioning the money income for expenditures, but it should be considered in order to realize that certain expenditures may be reduced because of the material income.

In many cases the income is irregular and indefinite. It is advisable to make your plan for spending on a possible minimum rather than a doubtful maximum.

III. *Estimate last year's expenditures for:*

HOUSING .....

Rent or taxes on property, insurance on property, repairs and additions, carfare to and from work.

OPERATING EXPENSES .....

Water, light, heat (cooking and fuel), sewer rent or tax, telephone, replacement of furniture and utensils, service, incidentals (cleaning rugs, tuning piano, etc.), cleaning materials.

**FOOD** .....

All food purchased. If there are home products, make note of approximate value of amounts consumed.

**CLOTHING** .....

All articles of clothing, upkeep and repair, remodeling, pressing and cleaning, mending materials, and materials used in making garments.

**HEALTH** .....

Physician, dentist, oculist, nurse, other specialists, glasses, replacement of lens, drugs, extra foods, toilet articles, travel for health.

**DONATIONS, PHILANTHROPY, RELIGION, GIFTS**.....

Charity, church, gifts, dependents, general contributions.

**EDUCATION** .....

Periodicals, newspapers, books, schooling, lectures, music, dancing, art, language. Cost of education for those away from home includes tuition, living expenses, fees, and books.

**RECREATION, AMUSEMENT, ENTERTAINMENT**.....

Clubs, sports, concerts, theatres, movies, entertaining, travel, automobile.

**INCIDENTALS** .....

Expenses the family may incur not included in the above classification.

**SAVINGS** .....

Bank accounts, stocks, bonds, life insurance (surrender value), real estate, War Savings Stamps, and other investments.

Unless actual accounts have been kept of the expenditures for the past year, the above estimates can only be approximated.

Which expenditures could have been decreased to an advantage? Which could have been increased? To what extent did your expenditures fulfill the needs of the family as a whole and those of the individual members?



IV. *From the above analysis of last year's expenditures make an approximate estimate of your expenditures for the coming year, basing your estimates on your probable income, and considering your present financial situation.*

| <i>Fixed Expenditures</i> | <i>Improvement</i> |
|---------------------------|--------------------|
| Housing                   | Health             |
| Operating expenses        | Donations          |
| Food                      | Education          |
| Clothing                  | Recreation         |
|                           | Savings            |

This will be your estimated budget. *It will only be a guide, as a real budget can not be made until actual accounts are kept for one year.*

Study each item carefully to determine the best apportionment and its relation to your standard of living. How much of your income is spent for the fixed expenditures and what proportion remains for advancement? The lower the income the greater the proportion spent for necessities and the less spent for improvements.

Consider the ways in which the various members of the family contribute to the income. Is the responsibility shared by all? To what extent does the housewife contribute to the income by her work in the home? If the housewife does her own sewing, cooking, washing, or other housework, her labor is a means of increasing the income. If the labor is done by employed service, in what way does the housewife meet her obligations? A trained woman who has a business or profession may desire to continue her work outside the home and have her housework done. By so doing the actual income may be increased, but what will be the effect on the life in the home? It must be remembered that homemaking is a profession and should be recognized as such.

## SUGGESTED BUDGETS

Each family has individual problems which will determine the apportionment made of the income. For this reason it is impossible to give budgets which will suit the needs of any given groups of families. For instance, Family A lives in the same town with Family B. They both have the same number of children and an equal income. The budget of Family A will differ widely from that of Family B since Mrs. A does her own housework and sewing, thus reducing her clothing and operating expenses. Family B, however, owns their home and the apportionment of their income for shelter is very much lower.

The question is frequently asked, "What proportion of the income should be spent for food and what per cent for clothes, etc." That will depend on the number in the family, the amount of the income, and the conditions in the family. For example, if there are cows, chickens and a garden, the food costs will be reduced. Many women lose interest in the budget idea because they read about budgets which give definite percentages. The women find that these divisions are not suited to their needs and so decide that the budget plan does not work for their families.

If the home is to be put on a business basis by using the budget system it is necessary to make a careful study of the family expenditures, detect the leaks, estimate the needs, and make the apportionment accordingly. The budget must, of course, be elastic. In every family unforeseen emergencies will arise which must be met immediately, and frequently cause a temporary financial strain. The budget will aid in eliminating many of these emergencies due to the fact that one makes a more careful survey of probable needs and plans ahead for them. Again, many feel that a budget would be so binding as to eliminate many of the pleasures. This seems, however, an erroneous idea, as the budget is made on the basis of planning for those things which are essential

and those which we most desire. By spending without any plan, the things which are most desired are often sacrificed because of spending for temporary pleasures and unnecessary incidentals. The budget is a guide. How often do you hear someone say, "My money simply goes and I don't seem to get anything in return." Since women spend the greater portion of the income it is their responsibility to know what it is spent for and whether that was the wisest expenditure.

Naturally, it is a more difficult problem to make a budget for the family whose income is irregular and oftentimes indefinite. The budget is not only the guide in such cases but also the stabilizer. With an irregular income it often happens either that there are periods of financial strain and intervals of prosperity or, that, in an attempt to avoid the periods of strain, unnecessary sacrifices are made. The budget makes it possible for families of this type to maintain a more even standard of living.

The U. S. Bureau of Labor and other organizations have, from time to time, made studies of family expenditures in many localities in order to ascertain the cost of living. These studies are most valuable in keeping to determine the minimum amount on which a family can maintain a normal standard of living in a given locality. To quote budgets of this nature is often misleading to the average housewife who wishes to make a budget. It is not possible to give even general suggestions as to an ideal apportionment of the income without knowing the condition of the individual family.

In order to show how a budget may be worked out let us consider a family of five; mother, father, son fourteen, daughter ten, and baby two years of age. The income is \$2500 a year. In making their budget they find their expenses to be as follows:

HOUSING.

|                                       |                 |
|---------------------------------------|-----------------|
| Rent .....                            | \$ 425.00       |
| Carfare to and from work for man..... | 39.00—\$ 464.00 |

**OPERATING EXPENSES.**

|  |          |        |
|--|----------|--------|
| (Water and sewerage provided with house)   |          |        |
| Light .....                                | \$       | 30.00  |
| Fuel—coal, wood, gas.....                  |          | 70.00  |
| Telephone .....                            |          | 36.00  |
| Replacement of utensils and furniture..... |          | 50.00  |
| Service (laundry) .....                    | 125.00   |        |
| Incidentals .....                          | 50.00    |        |
| Cleaning materials .....                   | 25.00—\$ | 386.00 |

**FOOD.**

|  |           |        |
|--|-----------|--------|
| Chickens, cows, and garden are kept—   |           |        |
| cost of upkeep included in food cost\$ | 600.00—\$ | 600.00 |

**CLOTHING.**

|  |    |                  |
|--|----|------------------|
| Practically all clothes except man's and<br>boy's and mother's suits and coats<br>made at home ..... |    |                  |
|  | \$ | 500.00—\$ 500.00 |

**HEALTH.**

|  |          |       |
|--|----------|-------|
| Includes yearly examination by doctor and<br>dentist ..... |          |       |
|  | \$       | 50.00 |
| Toilet articles and drugs.....                             | 25.00—\$ | 75.00 |

**PHILANTHROPY.**

|                            |    |                |
|----------------------------|----|----------------|
| Church—charity—gifts ..... | \$ | 50.00—\$ 50.00 |
|----------------------------|----|----------------|

**EDUCATION.**

|  |    |                |
|--|----|----------------|
| Subscription to newspapers, magazines,<br>school books and supplies for children,<br>music lessons for girl..... |    |                |
|  | \$ | 75.00—\$ 75.00 |

**RECREATION:**

|   |    |                |
|---|----|----------------|
| Husband's dues for lodge, movies, short<br>pleasure trips ..... |    |                |
|   | \$ | 75.00—\$ 75.00 |

**SAVINGS.**

|                               |    |                  |
|-------------------------------|----|------------------|
| Includes life insurance ..... | \$ | 275.00—\$ 275.00 |
|-------------------------------|----|------------------|

This savings fund must serve as an emergency fund for illness, additional investments in furniture and travel or any expenditures not provided for above.

By a study of this budget one can readily see how carefully a woman must plan on an income of this amount if there are several children in the family. The housing,

operating expenses, and food are fixed expenditures. If one analyzes the \$500 spent for clothing it can readily be seen that this means planning and home-sewing to provide clothes for five within that amount. The health expenditures are in order to prevent illness and so are considered a wise investment. The item for donations when compared with the other expenditures will be about all that can be afforded. And so with the items of recreation and education, it will mean that the expenditure must be made with much discretion as the slightest excess in any expenditure will mean a material reduction in some other. The savings item of a \$2500 income is hardly more than an emergency fund.

## SOME CONSIDERATIONS IN BUDGET-MAKING

*Housing.* What proportion of your income is spent for shelter?

If you own your home, have you estimated the cost of ownership by allowing a fair interest on your investment? Real estate dealers expect to have gross returns of ten per cent on their investments as a minimum. This will mean that a house costing \$10,000 will probably cost about \$200 a year for upkeep. The interest on this \$10,000 would be \$800, making the cost \$1,000 a year. Can you afford to pay this much for rent, or by owning are other expenditures reduced?

Is your property protected by insurance?

What are the advantages and disadvantages of ownership rather than renting? A stronger influence will be exerted on community conditions by an owner than a renter. Business and social relations are more firmly established when the home is owned. In ownership not only is shelter provided but a permanent investment is made by acquired property. Is there any better investment than owning one's home? When the home is owned, are there not advantages derived by the family, especially where there are children, which can not be calculated in terms of money value? The care and respect for property is generally a stronger characteristic among children whose parents own their home.

In many sections rents recently have been increased. In order to maintain your standard of living it is sometimes necessary to pay a larger proportion for rent and reduce some other expenditures. Better housing conditions may reduce expenditures for illness.

How does the location of your home affect your standard of living? The environment controls in a large measure the ideals and standards the children form. Have you considered the needs of your children or the social standard of the adults in choosing the place in which to live? Do the children miss school in bad weather because of the

distance? It is the natural tendency to do as the neighbors do. Do your neighbors have slipshod habits in caring for their property or themselves?

Does the location and type of house have any relation to the health conditions of the family? There should be sufficient space, light and air, and arrangement of rooms to facilitate housework. Sufficient rooms should be provided to allow for privacy and comfort. If the house is properly screened, the dangers of infection from disease carried by flies and mosquitoes are decreased. Improper disposal for waste may contaminate the water supply. Are the heating facilities adequate for cold weather?

Is the environment increasing or decreasing the value of your property? Study carefully the needs and cost of repairs and additions to avoid depreciation.

*Operating Expenses:* What proportion of your income is spent for operating expenses?

Operating expenses include:

1. *Water:* Do you know the source of your water supply? What means are employed to protect the health of the community by controlling the water supply? Is the water tax included in your rent? What provisions are there for the disposal of waste?

2. *Light:* What system of lighting is used? Do you read your gas and electric meter to detect leaks and wastes? Is your lighting system the best possible for the protection of your eyes?

3. *Fuel:* What kind of fuel is used for heating? For cooking? How do these increase or decrease the labor necessary for operation? Have you studied the comparative costs of fuels?

4. *Telephone:* Is the expense for a telephone justified? To what extent is it advantageous to order by telephone? How does it better establish your business and social relations? Is there a temptation to pay toll rather than postage? Is your telephone the cause of many unnecessary interruptions? Has it become your master or servant?

5. *Furnishings and Utensils:* When buying these, do

you consider them as investments or merely purchases to fulfill a need? Does your household equipment tend to increase or decrease the labor expended in housekeeping? When making purchases of furniture or utensils, do you make your selections according to utility, durability, general fitness in relation to other furnishings, relative cost, sanitary and aesthetic qualities, or are you attracted by advertising bargains or imitations of social standards of others?

6. *Service*: What kinds of service do you employ? If you provide maintenance for them, have you approximated the cost? What is the influence of living conditions, hours of labor, lack of standards, and wages on the domestic service problem? Do you understand the servants' work so that you are in a position to plan their duties and teach them methods? What are you doing to help standardize the work of domestic labor? Do the furnishings and arrangement of the house increase the need for service? By what means could the amount be reduced? If no service is employed, could your time be spent to better advantage and increase the income sufficiently to provide service?

7. *Cleaning Materials*: Have you considered the expenditure you make for cleaning materials? In purchasing, do you consider the value and efficiency of the various types so as to reduce the cost? Is there any appreciable waste of these commodities?

How does your total expenditures for operating expenses compare with that for shelter? Does the type of house you live in tend to increase the operating expenses? The cost of heating, lighting, and service can often be materially reduced by a better built and more simply arranged house.

*Food*: What proportion of your income is spent for food?

The food requirements can be measured more accurately than any of the others. Great care must be used in the selection of food as the allowance approaches the minimum, otherwise the quality will not be sufficient for nourishment and development. The average housewife has only a very limited knowledge of food values and therefore will not be



able to make selections as advantageous as those of a dietitian. An allowance of 10 per cent can generally be added to the standard food budgets for the waste brought about by unwise selection.

In purchasing foods, do you understand relative food values and utilize this knowledge to get the greatest returns for money spent? Do you plan your meals according to the principles of nutrition? Do you plan your meals ahead? Do you fully realize the relation of diet to health? The responsibility of the housewife in feeding her family is to provide food adequate in kind and quality to meet the physical needs of the body and, therefore, apportion the amount to be spent for food in order to make the wisest selections. Do you know the cuts of meat, or do you rely wholly on your butcher for this information? Do you know the seasons for various foods? In what ways do you keep in touch with current market prices? Have you studied the local market facilities, or do you use the most convenient stores?

What is your method of purchasing? Do you use telephone, mail orders, delivery, or cash and carry? How does your method affect the cost? What are advantages and disadvantages of large quantity buying? Do you have adequate storage facilities? Does a large quantity tend to cause waste by spoilage or extravagant use?

To what extent do you use ready prepared foods? Do you find them an economy of time and labor? Is this economy sufficient to warrant the increased cost?

Do you raise home products? In estimating the returns from these, have you allowed for a fair interest on the investment? Do your returns compensate for the expenditures including those of time and labor? Are there values derived other than those which are measured by dollars and cents? Do you dispose of surplus materials in the most profitable way?

The food requirements necessary to provide for the needs of the body are as follows:

- I. *Building materials.*
  1. Protein, which is found in meat, fish, poultry, eggs, milk, cheese, nuts, legumes, and cereals.
  2. Minerals, lime or calcium, phosphorus and iron, found in milk, cheese, eggs, celery, onions, green vegetables, fruit, meat, outer layer of the grains.
- II. *Fuel foods.*
  1. Starch, as found in rice, potatoes, macaroni, cereals.
  2. Sugar, found in sweet fruits, honey, sugar, sirups.
  3. Fats—meat fats and vegetable oils, found in milk, butter, cheese, bacon, nuts.
- III. *Regulating foods.*
  1. Bulky foods, such as cereals, fruits, and vegetables.
  2. Acids found in fruits and vegetables.
  3. Water.
  4. Minerals.
- IV. *Certain unknown chemical substances (vitamines) which are necessary to provide for growth and proper development. There are three types:*
  1. Fat Soluble A—found in milk, cream, butter, eggs, animal fats, cod liver oil, leaves and stems of plants, i. e., spinach, lettuce, cabbage.
  2. Water Soluble B—found in milk, dried peas and beans, cereal products having outer layers of grain, eggs, etc.
  3. Water Soluble C—found in orange and lemon juice, cabbage, tomatoes, milk, fresh meat, etc.

In an average well-mixed diet these requirements are generally fulfilled. When the allowance for food is limited, there is danger of improper diet detrimental to health.

Detailed suggestions for menu making will be found in University of Texas Bulletin No. 2123, *What to Feed the Family*.

*Clothing.* What proportion of your income is spent for clothing?

The cost of clothing will vary greatly with the individual family, depending on whether home sewing is done; the social and professional needs of the individuals in the family and the care and utilization of garments.

Do you purchase all garments ready made? When you do your own sewing, do you consider the cost of the labor which you put into making the garment? Can the time used for home sewing be utilized to any better advantage?

When purchasing materials, do you base your selections on knowledge of textiles? Do you understand the care of the various textiles so as to avoid loss of color and shrinkage and undue deterioration?

Do you purchase each garment as needed, or do you plan your needs from year to year so that the expenditure may be divided and selections made on the basis of color harmony, appropriateness, and utility? Do you consider only the initial cost rather than the final cost of a garment, including the upkeep, repairs, and additions or remodeling? Have you formed your own standards of dress suited to your needs and individuality as well as income, or are you guided entirely by fashion?

When are bargains an economy? Do bargain sales induce you to make more purchases than you otherwise would?

Is the quality of goods in installment stores equal to that in the other stores? Do you purchase through mail-order houses?

..

To what extent does good care lengthen the service of a garment? Do you teach your children to care for their clothes properly?

A clothing budget will assist you in living within your clothing allowance as well as avoid large expenditures coming within a short space of time. Make a list of the clothes on hand. Considering the condition of these, make note of those which will need replacing this year or additional garments needed and the probable cost. By considering your

clothing needs for the year, you will be better able to apportion your expenditures and make the most profitable selections as well as avoid excesses and extravagances. The following form is suggested for making your clothing budget.

| Garment | Number on Hand | Number Needed<br>This Year | Probable Cost |
|---------|----------------|----------------------------|---------------|
|         |                |                            |               |

*Health.* What proportion of the income is spent for health?

What are the health conditions of your family and the factors influencing these conditions? Proper food, shelter, and clothing are the prerequisites of health. The health should be protected by preventive measures such as care of teeth and other physical conditions. This can best be accomplished by regular examinations. Do you understand and apply the principles of personal and community hygiene? Have you reduced some expenditures at the sacrifice of health, or could you reduce some in order to avoid excesses and so improve health?

Physical well-being should be the first consideration of the family. All other interests and activities should be subordinated to health. The health standards of your family have a direct relation to those of the community, and vice versa. Are you fulfilling your obligations to both your family and the community?

*Donations, Philanthropy, Religion, Gifts.* What proportion of your income is spent for these items?

Do you do your giving systematically or wait until requests are made and give if possible at that time? Do you make pledges without stopping to consider the means of fulfillment? Do you intelligently consider the use to be made of money given, or does it depend on the force of the appeal made to you? Should gifts be made at the sacrifice

of normal living for your own family? Is the custom of giving gifts for various occasions a burden to you which you feel obliged to meet? Many personal gifts which are either given as remembrances or to repay social obligations are often extravagant and useless. Would it not be well to reduce these and increase donations for the promotion of community welfare?

*Education.* What proportion of your income is spent for education?

Every family should subscribe to a daily newspaper and periodicals. Where there is a public library, good literature may be obtained at little or no cost. Opportunities for public lectures and concerts should be taken advantage of. Special lessons in music or art are often given to members of the family who are not gifted. Is this justified, especially when the income is limited? A musical instrument increases the means of entertainment within the home and further develops the appreciation of music when wisely used. Your support should be given to the concerts and lectures held locally, otherwise the number of these opportunities will be reduced. Educational costs can be reduced to an advantage while children are young, in order to provide for later training and study. In what ways are you meeting the educational needs of your family?

Special training or higher education must generally be provided from savings funds for those on a low income.

*Recreation.* What proportion of your income is spent for recreation?

Education, health, and recreation are closely interwoven. Recreation is an essential requirement for normal living. True recreation brings rest and renewed vigor to the body, refreshment to the mind, and adds to the cultural assets. When wisely chosen and directed, recreation will tend to increase earning power. Can the form of recreation provided for your family truly be called recreation, or is it temporary entertainment? Recreation need not mean much money expenditure, as it can be taken in the form of athletics, picnics, hikes, reading, etc.

To what extent does the moving-picture house supply your recreation? This is a cheap form, but has its limitations and is not the type to be recommended for children. In all forms of recreation consider whether they are constructive or destructive.

*Savings.* What proportion of your income did you save last year?

Do you have a system for regular saving? Savings should be made possible because of wise expenditures, but not at a sacrifice of health and the need of normal living. Savings make a reserve fund possible so that unforeseen emergencies such as sickness, labor conditions, or change of occupation may be met without lowering the standard of living.

The most careful consideration should be given before making any kind of investment. It is well to consult a competent banker or lawyer. The government bonds are one of the most secure forms of investment. The average family can not afford to speculate on new enterprises. The interest on investments should be watched carefully, and when received the interest should be redeposited to compound it. Study your investments carefully to determine whether you could be taking advantage of another investment giving a greater yield.

We are beginning to learn that true thrift means a study of the present needs and desires of today in their relation to the needs and desires of tomorrow, so that we may attain those values in life which make for the greatest happiness. In planning for tomorrow, don't forget today.

## HOUSEHOLD ACCOUNTS

It is only by a careful study of your income and expenditures that you can make a budget suitable to the requirements of your family. To make such study necessitates the keeping of accurate records of expenditures.

There are two types of accounts:

1. The unclassified record of expenditures, simply giving a statement of expenditures as they are made.
2. The classified record which separates the expenditures according to the kind, as indicated in the budget.

The purposes of keeping records are:

1. To indicate the amount and distribution of expenditures.
2. To compare relative costs.
3. To detect leaks.
4. To estimate intelligently future needs.
5. To focus the attention on the budget.
6. To compare with standard budgets.
7. To indicate the character and wisdom of expenditures and, therefore, the standard of living. Finally, the study will reveal the philosophies of life and lead to new estimates and appreciation not only of money but of time and vitality.

The greatest value will be gained from classified accounts. Most women hesitate to keep records because of lack of bookkeeping knowledge and a feeling that it takes too much time. A classified system should be used which will be comprehensive, simple, and definite.

A Financial Record Book is published by the University of Texas which enables women to keep systematic records. The classifications are made as indicated in the budget, and indexes are provided to facilitate the use of the various sheets. The book is in loose-leaf form, so that it may be

adjusted to suit the needs of the individual family and new leaves may be replaced when necessary.

*Note*—The Financial Record Book may be obtained for one dollar a copy.

The classifications in this system are made as follows:

1. *Annual Financial Inventory.*

Assets and liabilities

2. *Income.*

Salary

Income from other sources

3. *Savings.*

Bank accounts

Stocks and bonds

Life insurance

Real estate

Government saving stamps

Others

4. *Housing Record.*

Rent or taxes

Insurance on  
property

Repairs and additions

Carfare to and from work

5. *Operating Expenses.*

Water

Light

Cooking heat

Fuel

Sewer rent or tax

Telephone

Replacement of furniture  
and utensils

Service

Incidentals

Cleaning materials

A monthly summary is made and separate sheets are provided to itemize the operating expenses for each month.

6. *Food Purchases.*

Meat

Poultry

Fish

Eggs

Fruit

Vegetables

Butter

Milk and cream

Bread

Sugar

Staples

Luxuries

Ice

Miscellaneous



A monthly summary is made and separate sheets are provided to itemize the food purchases for each month.

7. *Cost of Home Production.*

Fruits, vegetables, poultry, milk and butter, other productions.

Record is made of the investment, labor, and miscellaneous costs of production.

8. *Home Production and Consumption.*

Record is made of the amount of food produced, the amount used at home, and its market value; the amount sold and receipts from sale; giving the total value of the amount produced at home.

A monthly summary is made of the cost of production and total value of food produced at home.

9. *Clothing.*

An itemized record of clothing expenditures is made for each member of the family.

A general record is made of materials purchased.

10. *Health.*

A record is made of health expenditures for each member of the family, giving cost of

|                     |                   |
|---------------------|-------------------|
| Physician           | Drugs             |
| Dentist             | Extra foods       |
| Occulist            | Toilet articles   |
| Nurse               | Miscellaneous     |
| Other specialist    | Travel for health |
| Glasses             | Record of illness |
| Replacement of lens |                   |

11. *Philanthropy, Religion, Donations, Gifts.*

|           |            |
|-----------|------------|
| Charities | Dependents |
| Church    | General    |
| Gifts     |            |

12. *Christmas Gifts.*

Cards, ribbons, seals  
Kind of gift and to whom given

13. *Education.*

General education;  
     Periodicals      Music  
     Newspapers     Dancing  
     Books           Art  
     Schooling       Language  
     Lectures  
 Individual education;  
     Tuition           Room and board  
     Fees              Miscellaneous  
     Books

14. *Recreation, Amusement, Entertainment.*

Clubs  
Sports, equipment, supplies  
Concerts, theatres, movies  
Entertaining  
Travel

15. *Automobile Expense:*

Oil and gas              Miscellaneous  
Replacement and      Mileage  
Repairs                  Additions  
Record is made of initial cost of car, serial number, license number, engine number.

16. *Incidentals.*

Other items not included in above classifications.

17. *Monthly Summary of Expenditures.*

Income—Salary, miscellaneous income  
Expenditures—Savings, housing, operating expenses, food purchased, cost of food production, clothing, health, religious donations, education, recreation, incidentals.  
Balance; Total income  
          Total expense  
          Cast balance

18. *A Budget History Record.*

Provided to make note of any factors influencing the yearly expenditures.

A separate sheet is allowed for each of the classifications given. In keeping the record it is suggested that as daily cash purchases are made they should be jotted down in a small memorandum book to prevent the memory from being taxed or items being omitted. The items should be entered at the end of the day or summed up at the end of the week. Daily entries keep the records more accurate.

Items paid for weekly should be classified and entered, making note of actual date of payment. At the end of the month, the expenditures under each class of items should be added. These totals are transferred to a monthly summary sheet, so that expenditures may be compared from month to month.

*The total cash income for the month plus the cash balance at the first of the month less the cash expenditures for the month should equal the cash balance at the end of the month.* The purpose of keeping accounts is not to account for every penny but to control expenditures; therefore, one should not be discouraged if the calculated balance differs from the actual balance from time to time. The cash balance includes money on hand and the balance in the bank, which would be the amount remaining after all checks from that month had been paid out.

At the end of the year the total expenditures under each classification are compared with the suggested budget. A budget is then made for the coming year based on these past expenditures.

Only articles for which payments have been made should be entered in the record book.

In entering items from bills, note the date of payment, not date of entry. The record is a means of keeping the exact date of payment.

## BUSINESS METHODS FOR THE HOME

If the home is to be put on a business basis, the work of the household must be systematized. When accurate financial records are kept and a budget is made the basis for all expenditures, a big step will have been taken in this direction.

Whenever possible, bills should be paid by check. The endorsed check is a legal receipt.

A cardboard letter file will be convenient to file bills. The unpaid bills can be kept in the front of the box and filed as paid.

Every woman who is managing a home should have a desk where all the bills and records are kept in order. This will save time and loss of important papers. The purpose of introducing systematic methods is to reduce time and energy expended in the work. It is necessary, therefore, to be sure that the system itself does not complicate your work. Card catalogues will be found helpful to file receipts, addresses and telephone numbers, as well as for other purposes which the individual housewife may find.

A study should be made of the arrangement of the house, especially the kitchen, since it is the workshop, so that the placing of the equipment may reduce steps, time, and energy.

A well thought-out plan should be used to carry on the work of the home, whether it be the financing, the making of the menus, the housecleaning, the marketing, or in fact the entire daily routine.

An inventory of the household articles should be made, giving;

Article

Date purchased

Where purchased

Value at date of inventory

The inventory can most easily be made taking one room at a time. It is well to classify the articles. The following form is suggested:

Furniture, listing that in each room  
Kitchen and dining room equipment and utensils, including china, silverware, cooking utensils, etc.  
Clothing for each member of family  
Linens—bedroom and dining room  
Pictures  
Books  
Jewelry  
Musical instruments  
Miscellaneous—bric-a-brac and other articles not listed.

This inventory is most necessary when fire insurance is carried. Record should be made of the policy, giving premiums paid, expiration, amount of policy, company, and agent.

This inventory should be placed in a strong box along with all valuable documents such as deeds, wills, insurance policies, stocks and bonds. Storage will be provided by the bank at a small yearly cost and will safeguard loss.

With the Federal Income Tax, it now becomes necessary to take complete stock once a year of assets and liabilities.

A family council should be held frequently to study and discuss the problems of the home. Each member of the family should have a fair share of the labor and responsibility and help to decide what the budget should be. The children should be given responsibility and taught to spend wisely and to save.

A definite allowance should be given to each child in order that the value of money and the true principles of thrift may be instilled.

## PERSONAL ACCOUNTS

The same general principles are used for keeping personal accounts and making a budget as are used for the household. The following classifications are made:

- I. Income
- II. Savings
- III. Maintenance;
  - Room rent
  - Carfare
  - Fuel
  - Board
  - Extra food
  - Telephone
  - Stamps and stationery
  - Furnishings
  - Laundry
- IV. Clothing
- V. Health
- VI. Philanthropy, Religion, Donation, Gifts
- VII. Education
- VIII. Recreation
- IX. Incidentals
- X. Monthly summary
- XI. Budget history

In making a study of the personal expenditures, there are many factors to be considered, such as whether one lives at home, or rooms and boards, or is partially dependent, independent, or has dependents.

The clothing demands depend largely upon the professional or business requirements as well as social needs.

If you live at home and contribute to the home, the amount in excess of your room and board is an expenditure to be considered under dependents.

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Clothing for Women, Baldt: Lippincott, Philadelphia.  
Housewifery, Balderston: Lippincott, Philadelphia.  
Household Engineering, Frederick: American School Home Economics, Chicago.  
Home and Community Hygiene, Broadhurst: Lippincott, Philadelphia.  
Business of the Household, Tabor: Lippincott, Philadelphia.  
Personal Hygiene and Home Nursing, Lippitt: World Book Co., Yonkers, N. Y.

The following bulletins may be obtained free of charge by writing the Bureau of Publications, University of Texas, Austin.

- Bulletin No. 2123—What to Feed the Family.  
Bulletin No. 1617—Beautification of Home Grounds.  
Bulletin No. 1626—Furnishing and Decoration of Home.  
Bulletin No. 1639—Planning of Simple Homes.

